

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 17434
[Redacted],)	
)	DECISION
Petitioners.)	
)	

On April 15, 2003, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (petitioners), proposing income tax, penalty and interest for the years 2000 and 2001 in the total amount of \$4,954.

On June 12, 2003, a timely protest and petition for redetermination was filed by the petitioners. An informal hearing has not been requested. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision modifying the NOD.

The petitioners have not filed Idaho income tax returns for the years 2000 and 2001. On December 23, 2002, the Tax Discovery Bureau sent a letter with a questionnaire to the petitioners to help the Commission properly determine the petitioners' filing requirement. The petitioners did not respond to this letter, so[Redacted]. The Commission then issued a NOD to the petitioners [Redacted].

On June 10, 2003, the taxpayers sent a protest letter to TDB in which they stated:

Please find enclosed a copy of "NOTICE OF DEFICIENCY DETERMINATION". By this letter, we are exercising our right to appeal. The tax shown on the letter is in error. The tax was calculated by using the 1099 information and no deductions; when tax returns are filed for the years mentioned on the notice, we will owe substantially less tax. We anticipate filing those tax years in less than 60 days.

On July 19, 2003, TDB sent the petitioners a letter notifying them that their protest was a

timely petition of their NOD. TDB also requested that they provide copies of their 2000 and 2001 Idaho individual income tax returns.

On July 30, 2003, TDB sent the petitioners another letter requesting they file the returns in question within 15 days from the date of the letter. The petitioners did not respond so their file was transfer to the Commission's Legal/Tax Policy Division for further review.

On September 24, 2003, the Tax Policy Specialist (policy specialist) sent the petitioners a hearing rights letter to inform them of their alternatives for redetermining a protested NOD. The petitioners did not respond to this letter.

On October 30, 2003, the policy specialist spoke with [Redacted] (petitioner) concerning the need for them to file their 2000 and 2001 income tax returns. The petitioner told the policy specialist he would have these returns filed in two weeks. No returns were filed, so a follow-up letter to the hearing rights letter was sent to the petitioner on December 10, 2003. The petitioners did not respond to this letter.

The policy specialist reviewed the W-2 Wage and Tax Statements filed by the petitioner's employer with the Commission. The petitioner's W-2s for 2000 and 2001 were found in the Commission's records and the deficiencies for those years have been modified accordingly. No W-2s could be found for [Redacted] in the Commission records.

It is well settled in Idaho that a NOD issued by the Idaho State Tax Commission is presumed to be correct. Albertson's Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814 (1984); Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2 (Ct. App. 1986). The burden is on the petitioner to show that the tax deficiency is erroneous. Id. Since the petitioner has failed to meet the burden in this case, the Tax Commission finds that the amount shown due on the Notice of Deficiency Determination is true and correct.

[Redacted] The petitioners have not provided the Commission with a contrary result to the determination of their income [Redacted] Therefore, the Commission must uphold the deficiency as modified.

WHEREFORE, the Notice of Deficiency Determination dated April 15, 2003, as MODIFIED, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the petitioners pay the following tax, penalty and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2000	\$1,089	\$272	\$210	\$1,571
2001	1,317	329	154	1,800
			TOTAL DUE	<u>\$3,371</u>

Interest is computed through April 10, 2004.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioners' right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2004.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2004, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

Receipt No. [Redacted]

ADMINISTRATIVE ASSISTANT 1